

July 15, 1999

Legislative Audit Commission  
622 Stratton Office Building  
Springfield, IL 62706

Dear Members:

In accordance with section 3-15 of the Illinois State Auditing Act (30 ILCS 5/3-15), I hereby submit the report on the operations of the Office of the Auditor General for the fourth quarter of Fiscal Year 1999, which ended June 30, 1999.

---

## ***FISCAL MATTERS***

<b><i>FY 1999 - FOURTH QUARTER</i></b>				
	<b><i>Appropriation</i></b>	<b><i>Expended</i></b>	<b><i>Obligated</i></b>	<b><i>Balance</i></b>
Personal Services	\$ 3,157,500	\$ 2,941,567	\$ 0	\$ 215,933
Employee Retire. (Employer)	126,300	112,625	0	13,675
State Retirement	303,100	280,493	0	22,607
Social Security	231,600	217,429	0	14,171
Contractual Services	516,400	427,998	4,797	83,605
Travel	85,000	67,512	0	17,488
Commodities	18,800	10,302	0	8,498
Printing	16,700	13,546	0	3,154
Equipment	73,500	51,830	19,525	2,145
EDP	106,600	61,323	40,320	4,957
Telecommunications	80,000	54,268	0	25,732
Oper. of Auto. Equip.	5,200	1,958	0	3,242
Audits/Studies/Invest.*	<u>11,409,600</u>	<u>7,342,507</u>	<u>2,386,770</u>	<u>1,680,323</u>
<b>TOTAL</b>	<b><u>\$16,130,300</u></b>	<b><u>\$11,583,358</u></b>	<b><u>\$2,451,412</u></b>	<b><u>\$2,095,530</u></b>
*Audit Expense Fund				

---

## ***PERSONNEL***

<b><i>PERSONNEL</i></b>					
	<b><u>07-01-99</u></b>	<b><u>Appointments</u></b>	<b><u>Separations</u></b>	<b><u>Transfers</u></b>	<b><u>09-30-99</u></b>
<b>Springfield</b>	<b>61</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>66</b>
<b>Chicago</b>	<b><u>10</u></b>	<b><u>0</u></b>	<b><u>1</u></b>	<b><u>0</u></b>	<b><u>09</u></b>
<b>TOTAL</b>	<b>71</b>	<b>6</b>	<b>2</b>	<b>0</b>	<b>75</b>

---

## ***CONTRACTS***

During the fourth quarter of Fiscal Year 1999 the Office of the Auditor General entered into one administrative contract, ninety one audit contracts and four information systems contracts.

---

## ***TRAINING***

Training for the fourth quarter of Fiscal Year 1999 included Healthcare Fraud: Awareness and Control, Accounting and Auditing Updates, Performance Audit Referencing, and Using Access to Analyze Financial Data. Additional external training that staff participated in includes Computer Assisted Audit Techniques, DB2-Implementing Databases, Deploying Microsoft Windows 2000, Financial Statement Update, Governmental Accounting and Auditing Update Conference, Illinois Contract Law, Illinois CPA Society's Annual Government Conference, Illinois Women in Government's Annual Conference, Midwestern Intergovernmental Audit Forum, National State Auditor Association's Annual Conference, and Understanding the Future of Computing and Networking.

---

## ***PERFORMANCE AUDITS***

<b><i>PERFORMANCE AUDITS IN PROGRESS</i></b>
--

<b><i>AUDITS</i></b>	<b><i>ESTIMATED RELEASE DATE</i></b>
<ul style="list-style-type: none"><li>• Compliance and Management Audit of Chicago's Airports (PA 89-386)</li><li>• Delta Dental (LAC Resolution #113)</li><li>• Pilsen Little Village Community Mental Health Center, Inc. (House Resolution #385)</li><li>• Home Health Care (LAC Resolution #114)</li><li>• Illinois Math and Science Academy (LAC Resolution #115)</li></ul>	Unknown Summer 1999  Summer 1999 Summer 1999 Summer/Fall 1999

---

## ***FINANCIAL & COMPLIANCE AUDITS***

The following is a listing of financial and compliance audits for the period ending June 30, 1998. As the year progresses the "date released" column will be completed.

<b><i>FINANCIAL &amp; COMPLIANCE AUDITS FOR THE PERIOD ENDING JUNE 30, 1998</i></b>
---

*F = Financial*

*C = Compliance*

<b><i>AGENCY</i></b>	<b><i>F</i></b>	<b><i>C</i></b>	<b><i>DATE RELEASED</i></b>
Aging	x	x	03-25-99
Anna Veterans Home		x	04-15-99
Attorney General			
Big Muddy River Correctional Center		x	04-15-99
Capital Development Board	x	x	03-05-99

<i><b>AGENCY</b></i>	<i><b>F</b></i>	<i><b>C</b></i>	<i><b>DATE RELEASED</b></i>
Central Management Services & Revolving Funds		x	03-10-99
Centralia Correctional Center		x	04-21-99
Chicago Metro. - Close Out		x	03-18-99
Chicago State University	x		05-20-99
Chicago State University Foundation	x	x	05-20-99
Children and Family Services	x	x	05-05-99
CMS - Deferred Compensation Plan	x		06-30-99
Commerce and Community Affairs	x	x	03-18-99
Community College Board	x	x	03-05-99
Community College System Foundation	x	x	03-05-99
Comptroller - Fiscal Officer	x	x	05-25-99
Comptroller - Non-Fiscal Officer	x	x	05-25-99
Conservation Foundation	x	x	02-11-99
Correctional Industries	x	x	04-21-99
Corrections - General Office	x	x	04-21-99
Danville Correctional Center		x	04-21-99
Development Finance Authority	x	x	04-27-99
Dixon Correctional Center		x	04-21-99
DuQuoin State Fair		x	03-10-99
Dwight Correctional Center		x	04-21-99
East Moline Correctional Center		x	04-21-99
East St. Louis Financial Advisory Authority	x	x	03-18-99
Eastern Illinois University	x	x	05-20-99
Eastern Illinois University Alumni Association	x		05-20-99
Eastern Illinois University Foundation	x		05-20-99
Employment Security	x		03-25-99
Environmental Protection Agency	x	x	05-05-99
EPA Trust Fund Commission (In EPA)	x	x	05-05-99
Farm Development Authority	x	x	04-27-99
Financial Institutions	x	x	03-18-99

<i><b>AGENCY</b></i>	<i><b>F</b></i>	<i><b>C</b></i>	<i><b>DATE RELEASED</b></i>
General Assembly Retirement System	x	x	01-27-99
Governors State University	x	x	05-20-99
Governors State University Alumni Association	x		05-20-99
Governors State University Foundation	x		05-20-99
Graham Correctional Center	x		04-21-99
Health Care Cost Containment Council	x	x	05-13-99
Health Facilities Authority	x	x	04-27-99
Hill Correctional Center		x	04-21-99
Historic Preservation Agency	x	x	03-25-99
Housing Development Authority	x	x	04-27-99
Human Services - Central Office	x		05-13-99
Illinois River Correctional Center		x	04-21-99
Illinois State Fair		x	03-10-99
Illinois State University	x	x	05-20-99
Illinois State University Foundation	x	x	05-20-99
Illinois Youth Center - Harrisburg		x	04-21-99
Illinois Youth Center - Joliet		x	04-21-99
Illinois Youth Center - Murphysboro		x	04-21-99
Illinois Youth Center - Pere Marquette		x	04-21-99
Illinois Youth Center - St. Charles		x	04-21-99
Illinois Youth Center - Valley View		x	04-21-99
Illinois Youth Center - Warrenville		x	04-21-99
IMSA Fund	x		03-18-99
Industrial Commission - Self Insurers Fund	x		03-25-99
Insurance - Special Deputy			03-19-99
ISAC- Designated Account Purchase	x		03-18-99
Jacksonville Correctional Center		x	04-21-99
Joint Committee on Administrative Rules		x	04-15-99
Joliet Correctional Center		x	04-21-99
Judges Retirement System	x	x	01-27-99

<i><b>AGENCY</b></i>	<i><b>F</b></i>	<i><b>C</b></i>	<i><b>DATE RELEASED</b></i>
Judicial Inquiry Board		x	06-17-99
Kankakee River Valley Area Airport Authority	x	x	06-17-99
LaSalle Veterans Home		x	04-15-99
Law Enforcement Training & Stand. Board	x	x	03-10-99
Legislative Information System		x	04-15-99
Lincoln Correctional Center	x	x	04-21-99
Liquor Control Commission	x	x	02-24-99
Logan Correctional Center		x	04-21-99
Lottery	x	x	02-24-99
Manteno Veterans Home		x	04-15-99
Mathematics & Science Academy	x	x	03-18-99
Medical District Commission			
Menard Correctional Center		x	04-21-99
Metro Water Reclamation District			
Military Affairs		x	03-10-99
Natural Resources	x	x	03-25-99
Northeastern Illinois University	x	x	05-20-99
Northeastern Illinois University Foundation	x		05-20-99
Northern Illinois University	x	x	05-20-99
Northern Illinois University Foundation	x	x	05-20-99
Office of Banks and Real Estate	x	x	03-18-99
Pollution Control Board	x	x	03-25-99
Pontiac Correctional Center		x	04-21-99
Prairie State 2000 Authority	x		05-05-99
Prisoner Review Board		x	03-10-99
Property Tax Appeal Board		x	03-05-99
Public Aid	x	x	06-17-99
Quincy Veterans Home	x	x	04-15-99
Racing Board	x	x	02-24-99
Revenue	x		03-10-99

<i><b>AGENCY</b></i>	<i><b>F</b></i>	<i><b>C</b></i>	<i><b>DATE RELEASED</b></i>
Robinson Correctional Center		x	04-21-99
Rural Bond Bank	x	x	04-27-99
Secretary of State	x		05-25-99
Shawnee Correctional Center		x	04-21-99
Sheridan Correctional Center		x	04-21-99
SIU Carbondale - Alumni	x		02-11-99
SIU Carbondale - Foundation	x		02-11-99
SIU Edwardsville - Alumni	x		02-11-99
SIU Edwardsville - Foundation	x		02-11-99
SIU Physicians & Surgeons, Inc.	x		02-11-99
SIU University Park	x		02-11-99
Southern Illinois University	x	x	05-20-99
Southwestern Illinois Correctional Center		x	04-21-99
State Appellate Defender	x	x	02-24-99
State Board of Education	x	x	05-05-99
State Board of Investment	x	x	01-27-99
State Employees Retirement System	x	x	01-27-99
State Fire Marshal	x	x	06-30-99
State Police	x	x	04-15-99
State Police Merit Board		x	04-15-99
State Universities Retirement System	x	x	01-27-99
State's Attorneys Appellate Prosecutor	x	x	02-24-99
Stateville Correctional Center		x	04-21-99
Student Assistance Commission	x	x	03-05-99
Tamms Correctional Center		x	04-21-99
Taylorville Correctional Center		x	04-21-99
Teachers Retirement System	x	x	01-27-99
Toll Highway Authority			
Transportation	x	x	04-15-99
Treasurer - Fiscal Officer	x	x	05-25-99

<i><b>AGENCY</b></i>	<i><b>F</b></i>	<i><b>C</b></i>	<i><b>DATE RELEASED</b></i>
Treasurer - The Illinois Funds	x		02-11-99
University of Illinois	x	x	05-20-99
University of Illinois Alumni Association	x	x	05-20-99
University of Illinois Foundation	x	x	05-20-99
University of Illinois HMO - 97		x	05-20-99
University of Illinois HMO - 98	x		05-20-99
Vandalia Correctional Center		x	04-21-99
Veterans Affairs - General Office	x	x	04-15-99
Vienna Correctional Center		x	04-21-99
Violence Prevention Authority PA 89-353			
Western Illinois Correctional Center		x	04-21-99
Western Illinois University	x	x	05-20-99
Western Illinois University Foundation	x		05-20-99

---

## ***INFORMATION SYSTEMS AUDITS***

These audits are components of each agency's regularly scheduled financial and compliance audit for the period ending June 30, 1998.

<b><i>INFORMATION SYSTEMS AUDITS AUDITS INITIATED AND/OR COMPLETED IN FISCAL YEAR 1999</i></b>	
•	Central Management Services - BCCS 3 <sup>rd</sup> Party Review
•	Children and Family Services
•	Comptroller
•	Corrections - General Office
•	Environmental Protection Agency
•	Health Care Cost Containment Council
•	Legislative Information System
•	Liquor Control Commission
•	Office of Banks and Real Estate
•	State Board of Education
•	State Employees Retirement System
•	State Fire Marshal
•	University of Illinois
•	Veterans Affairs - General Office

---

## ***EMERGENCY PURCHASES***

The Illinois Procurement Code requires agencies expending funds in an emergency to file an affidavit with the Auditor General within 10 days after the procurement, setting forth the amount expended, the name of the contractor, and the circumstances requiring the emergency purchase. The Auditor General, in turn, is required to file a quarterly report with the Commission and the Governor setting forth a complete listing of all emergency purchases reported during that quarter. The latest report is for the fourth quarter of Fiscal Year 1999 and it contains ninety two filings with this Office.

---

## ***CONTRACTUAL SERVICES CERTIFICATIONS***

Pursuant to the requirements of the State Finance Act at 30 ILCS 105/15a, State agencies must file a certification with the Auditor General prior to the execution of any contract with a former employee who took an early retirement incentive. The certification must state that the former employee either possesses unique expertise or is essential to the operation of the agency.

During the fourth quarter of Fiscal Year 1999, the Auditor General received two certifications, one each from the Office of the Secretary of State and the Department of State Police, stating that the agency would contract with an individual who retired from State service and that the individual possesses unique expertise essential to the agency.

Copies of these certifications and others received in previous quarters are on file in our Office.

Yours truly,

WILLIAM G. HOLLAND  
Auditor General